STATEMENT MADE BY THE MINISTER

Denotifying the small and Cottage Industries from the clutches of the Factories Act.

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1. BACKGROUND:—

Utilising the provisions available under Section 85, certain manufacturing activities employing less than 10 workers with the aid of power and less than 20 workers without power were brought under the Factories Act, 1948 in the year 1976. Subsequently more categories were also covered.

Powerloom sector which was one of the categories brought under the Act, filed writ petitions in the High Court of Karnataka questioning the action of the Govt. in bringing them under the Act and to get the same deleted. Even though, they failed to get a decision in their favour, the court directed the Government to give an opportunity to them to express grievances before taking a final decision. Accordingly, Government heard their views in the meetings held on 5-10-1989 and 29-5-1990. The main issues raised by them during these meetings were, that the powerloom units are being run mainly by putting labour of the owners and in certain cases employing one or two workers, that the activity is almost hereditary, that no complaints are made by the workers to any authorities, accidents are not frequently taking place in such units and this sector being a type of cottage industry, if brought under the Factories Act, it will be very difficult to the owners to run the same, as it would be impossible to follow the procedures under the Act. The other manufacturing processes notified under Section 85 are saw mills, rice mills, oil mills, agarbathi, arecanut processing, tobacco processing printing presses, stone crushing and polishing, auto workshops, dal mills tanneries, pesticides and chemical units.

2. APPLICATION OF FACTORIES ACT:-

The Factories Act is uniformly applicable to both regular factories and also those coming under Section 85. The facilities as regards ventilation, lighting, spacing of machinery, work environment, safety systems, health and welfare, shall also be uniformly applicable to small and big industries. For offences, especially involving fatal accidents due to unsafe working methods and conditions, the penalties are very heavy which is a minimum of Rs. 25,000 and may be compounded with imprisonment.

3. PROBLEMS OF SMALL SCALE INDUSTRIES:—

More than 1,00,000 small scale industries are established in the state of Karnataka. Out of which, 4.753 in the categories noted in the previous paras were registered under Section 85 of the Factories Act. This number would have become around 9,000, if all the power-loom units were brought under the Act. Numerically, it is a big number compared to the total number of registered factories in the State.

It is assessed that for every crore of rupees invested in small scale industries, 322 persons get employment and gross production per year would be worth around Rs. 3.25 crores. Whereas in medium and large scale industries every crore of rupees generates about 50 employments and gross production per year is also about Rs. 1.00 crore worth. It is important to note the contribution of small scale sector.

But, the small industries are run with great constraints. It is usually a one man's show. The proprietor or a partner has to get the project report prepared, get it approved by the concerned, arrange for finances, raw material procurement, labour management, production activities, quality control, marketing etc. With these multifarious problems, if the stringent standards which are common to big and small units under the Factories Act are insisted, it will be very difficult for the small units to cope up with that. Removing these units from the clutches of the Factories Act and guidance and interaction for creating good work environment to achieve higher productivity is activated, it would have a better impact on these hard working entrepreneurs.

4. OTHER CONSIDERATIONS:—

The Department of Factories & Boilers is the regulatory authority entrusted with the enforcement of the Factories Act. Because of the heavy workload, it has not become possible for the Department even to enforce the provisions of law on bigger units. As against one Factory inspector for every 150 factories, which is the standard being practiced in the country, in our State there are around 750 factories per Inspector. Excluding Section 85 factories this number comes to 380 per Inspector. This would facilitate better attention to bigger factories where problems of safety and health of workers are more critical. This will also help in locating more bigger units to bring them under the regular provisions of the Factories Act.

5. DECISION TAKEN:—

It is assessed that the work hazards in certain categoe small scale industries covered under the special provisio Section 85 of the Factories Act are less when compared to powelo

activities. But it is not so in case of tanning, pesticides and chemical processes.

Having consideration to various problems of the small industries and to give encouragement for their proper growth and stabilisation a bold and important decision is taken to denotify certain manufacturing processes from the purview of the Factories Act, 1948. The processes thus denotified are.-

1. Sawing of wood including wood working with the aid of power with machinery
2. Rice milling including hulling and polishing but excluding milling and polishing which is carried on entirely by huller and where no paddy sheller is installed with the aid of power.
3. Oil extraction including decorticating and disintegrating of vegetable seeds with the aid of power.
4. Manufacture of agarbathi with or without the aid of power.
5. Processing of arecanut with or without the aid of power.
6. Processing of tobacco (jarda) with or without the aid of power.
7. Composing types for printing, printing by letter press, lithography, photogravure or other similar processes or book binding or type casting with or without the aid of power.
8. Weaving of cotton, silk or synthetic fibres including other preparatory processes such as spinning, knitting, reeling, winding, twisting, dyeing or finishing of any textile materials.
9. Operations involving stone crushing, stone dressing or stone polishing,
10. Auto workshop
11. Dall Mills

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ಅಧ್ಯಕ್ಷರು.—ಈಗ ಬೇಡಿಕೆಗಳ ಮೇಲೆ ನಡೆದ ಚರ್ಚೆಗೆ ಮಾನ್ಯ ಆರೋಗ್ಯ ಸಚಿವೆಯವರಿಂದ ಉತ್ತರ.

ಶ್ರೀಮತಿ ಮನೋರಮ ಮಧ್ವರಾಜ್ (ಮಾನ್ಯ ಆರೋಗ್ಯ ಮತ್ತು ಕುಟುಂಬ ಕಲ್ಯಾಣ ಸಚಿವರು).—ಮಾನ್ಯ ಸಭಾಧ್ಯಕ್ಷರೇ, ...

ಶ್ರೀ ಎಂ. ಸಿದ್ದಮಾದಯ್ಯ.—ಮಾನ್ಯ ಅಧ್ಯಕ್ಷರೆ ಮಾನ್ಯ ಸಚಿವರು ಉತ್ತರ ಕೊಡುವುದಕ್ಕಿಂತ ಮುಂಚೆ ಎರಡು ನಿಮಿಷ ಬೇಡಿಕೆ ಮೇಲೆ ನಾನು ಮಾತನಾಡುವುದಕ್ಕೆ ಅವಕಾಶ ಮಾಡಿಕೊಡಬೇಕೆಂದು ಕೇಳಿಕೊಳ್ಳುತ್ತೇನೆ.